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The role of diamonds in fuelling conflict

Letter dated 13 December 2005 from the Permanent Representative of the Russian Federation to the United Nations addressed to the President of the General Assembly

Corrigendum

Annex to the letter dated 13 December 2005 from the Permanent Representative of the Russian Federation to the United Nations addressed to the President of the General Assembly

At the end of the annex, add the following appendices:

Appendix I

FINAL COMMUNIQUE
Kimberley Process Plenary Meeting
Moscow, the Russian Federation, 15-17 November 2005

The regular Plenary Meeting of the Kimberley Process was held from 15 to 17 November 2005 in Moscow, the Russian Federation. Thirty six countries and one regional economic integration organization (the European Community) participating in the Kimberley Process Certification Scheme (KPCS) were represented at the Plenary. The World Diamond Council delegation and representatives from Civil Society attended the Meeting as Observers. Participants and Observers of the Moscow Plenary expressed their gratitude to the Russian Federation for hosting the Plenary and for their hospitality.

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During the Plenary, the KPCS Participants and other interested parties reaffirmed their commitment to develop and improve the KPCS, to strengthen national KP certification systems and to promote cooperation with the diamond industry in order to prevent the use of rough diamonds in funding conflicts.

Kimberley Process Chair Mr. Vyacheslav A. Shtyrov noted in his report to the Plenary that in 2005 Indonesia was included in the list of the KP Participants and the Republic of Lebanon rejoined the KPCS. Eleven states expressed their wish to join the Kimberley Process and are taking the necessary steps and measures.

According to the data submitted to the KP Secretariat, about 160 million carats of rough diamonds were produced in 2004. The total value of rough diamond imports reached almost US$ 32 billion, and 56,791 KP Certificates were issued.

Plenary noted with great concern the evidence of ongoing illicit production of diamonds in the Northern, rebel-controlled regions of Côte d'Ivoire, which poses a challenge to the KPCS. The Plenary adopted a resolution outlining a series of measures to prevent the introduction of conflict diamonds from Côte d'Ivoire into the legitimate trade. Plenary agreed to conduct a detailed assessment of the volume of rough diamonds produced in, and exported from, Côte d'Ivoire, which is to be carried out in cooperation with the United Nations, as well as joint efforts with Participants in the region to identify where diamonds from Côte d'Ivoire could be entering into the trade. In order to help Participants in the region strengthen their internal controls over diamond production and trade, the Plenary called on Participants and other donors to provide appropriate technical assistance. Furthermore, the Plenary requested all Participants to take action, as appropriate, against any of their nationals or companies found to be involved in illicit diamond trade or production in Côte d'Ivoire. The representative organizations of the international diamond industry agreed to draw the urgent attention of their members to the ongoing illicit production of diamonds in Côte d'Ivoire, and to ensure that they cooperate fully in preventing conflict diamonds produced in Côte d'Ivoire from entering into the legitimate trade.

Plenary noted the excellent progress made in implementation of peer review in KPCS. At the time of the Plenary nineteen Participants had received review visits and by the end of 2005 a further six are expected to have received review visits. A further eleven Participants have invited review visits. The Chair of the Kimberley Process strongly encouraged those Participants that have not yet invited review visits to do so. The

plenary noted with appreciation an invitation by the Republic of Guinea for the Kimberley Process to send a follow-up visit to the review visit carried out in Guinea in April 2005. For the first time Plenary heard presentations from Participants on the steps they have taken to implement the recommendations of review visits, and welcomed the progress made by the Working Group on Monitoring towards ensuring consistent follow-up to all review visits.

At the 2004 Plenary, the Working Group on Statistics was tasked to undertake a study, in consultation with Participants, of aspects of national methodologies which constrain statistical reporting. As a result of the report submitted on this task, Plenary adopted an Administrative Decision that Participants should use Kimberley Process Certificate-based data when submitting trade data, thereby improving the comparability of statistics provided by Participants. The Working Group on Statistics will study the issue of public release of statistical information, in consultation with all Participants and Observers, and report its findings and present options in 2006.

Plenary heard the first report of the ad-hoc sub-group on alluvial production established by the Gatineau Plenary meeting in October 2004, and adopted a Declaration setting out recommendations for effective internal controls over alluvial diamond mining. Plenary noted that the Declaration should guide efforts to improve the traceability of alluvial production, as well as help potential donors channel capacity-building assistance to further the effective implementation of the Certification Scheme. Plenary agreed to renew the mandate of the ad-hoc sub-group on alluvial production, which is to report at regular intervals on the progress achieved towards implementing the recommendations.

Plenary noted that a number of KP Participants have been active in providing technical assistance and that the peer review mechanism, as well as the work of the sub-group on alluvial production had generated information about the needs of individual Participants for capacity-building assistance to implement the provisions of the KPCS. Plenary accepted the offer of the United States to identify the ongoing technical assistance programs and coordinate donor efforts to assist countries to meet KP standards. Canada announced that it has initiated a new program to build Participants' capacity in the gathering and reporting of statistics required for the KPCS. Both initiatives will work together through the Working Groups on Monitoring and Statistics.

In its report to the Plenary, the Working Group of Diamond Experts presented its conclusions on the practical application of the changes to the Explanatory Notes of HS classification that became effective on August 1, 2004. Furthermore, earlier adopted Technical Guidelines and Definitions were tested on their efficiency and consistency. The WGDE also discussed its preliminary report on the harmonization of valuation methodologies for which it received a strong mandate at the Gatineau Plenary (2004). The results suggest that significant value discrepancies should be monitored by all Participants and followed by appropriate bilateral action. WGDE discussed possible solutions for the valuation of rough diamonds extracted from exploration samples. The Plenary extended the mandate to the Working Group of Diamond Experts in order to continue work on this important issue.

Plenary considered a report by the Participation Committee, including the status of new Applicants and its responsibilities related to compliance with obligations for the timely and accurate submission of annual and statistical reports required for the implementation of the certification scheme. The Participation Committee informed Plenary of the establishment of internal guidelines aimed at ensuring timely submission of statistical reports on the production and trade in rough diamonds, by setting up procedures to be followed in case of statistical non-submission which could lead to the removal of a Participant from the Scheme. Plenary welcomed the Russian Federation as the incoming Chair of the Participation Committee for 2006.

The ad hoc Working Group on the Review of the KPCS reported on its work on the three-year review of the certification scheme envisioned in Section IV, Paragraph 20 of the KPCS Document. Plenary adopted Terms of Reference for the review of the Certification Scheme. Plenary mandated the ad hoc Working Group to present a report and recommendations on the review of the certification scheme for consideration by the 2006 Plenary.

The Participants approved the suggestion to improve the efficiency of the KPCS by working with specialized agencies and insurance companies to ensure that their procedures are fully in line with the KPCS.

A presentation was made to the Plenary on the Diamond Development Initiative (DDI), an independent initiative aimed at improving the working conditions of, and remuneration to artisanal diamond miners. Liaison between the KP and the DDI was encouraged in order to optimize synergies. A representative from Global Witness spoke

on the need for stronger controls in the cutting and polishing sector. A presentation was also made by the World Diamond Council regarding their activities contributing to the success of the Kimberley Process and efforts to communicate KP requirements to the diamond and jewelry industry.

The Moscow meeting saw the official transfer of the KP Chair's authority to Botswana for the year 2006. The European Community was elected Vice-Chair for 2006. The Republic of Angola has also put forward its candidature to the position of Vice-Chair for 2006, but withdrew it later in favour of the EC for the sake of observing geographical balance as well as balance between diamond producing, trading and polishing participants.

The decisions taken by the Plenary will be considered to have been formally adopted once they have been translated into the official languages of the Plenary (English, French, Portuguese, Spanish and Russian), in accordance with Rule 26 of the KPCS Rules of Procedure, and made available to all Participants.

Appendix II

The Composition of the subsidiary bodies of the Kimberley Process

Chair and Secretariat

Plenary Meetings

Intersessional Meetings

Working Bodies

Working Group on Monitoring
- Chair- EC
- Assistant – Israel
- Members: Canada
  - CAR
  - EC
  - India
  - Israel
  - China, People's Republic of
  - Russian Federation
  - South Africa
  - USA
  - World Diamond Counsil (WDC)
  - Global Witness\Partnership Africa Canada

Sub-group on alluvial diamond production
- Chair – EC
- Coordinators: DRC
  - Sierra Leone
  - Brazil
- Members: KP Chairman
  - KP Vice-Chair
  - Angola
  - Brazil
  - CAR

DRC
Côte d'Ivoire
Ghana
Guinea
Guyana
Namibia
Sierra Leone
South Africa
Tanzania
Togo
Venezuela
WDC
Global Witness\Partnership Africa Canada

Working Group on Statistics
Chair – Canada
Assistant – Israel
Members: Angola
Botswana
Canada
China, People's Republic of
EC
India
Israel
Russian Federation
South Africa
Switzerland
USA
WDC
Partnership Africa Canada

Working Group of Diamond Experts and Technical Issues
Chair – WDC
Assistant – South Africa
Members: Australia
Botswana
Canada

China, People's Republic of
EC
India
Israel
Russian Federation
South Africa
WDC

Working Group on Rules of Procedure
Chair – South Africa
Assistant – to be named
Members: Angola
Botswana
Canada
EC
Israel
Russian Federation
South Africa
Switzerland
USA
WDC
Global Witness\Partnership Africa Canada

Ad hoc Group on review of the KPCS
Chair – Canada
Members: KP Chairman
KP Vice-Chair
Chairs of the Working Bodies
Australia
China, People's Republic of
EC
India
Israel
Russian Federation
Sierra Leone
South Africa
USA

WDC
Global Witness\Partnership Africa Canada

Committees:

Participation Committee
Chair – Canada
Members: Angola
Canada
China, People's Republic of
EC
India
Israel
Russian Federation
South Africa
USA
Vice-Chair (as on 2005)
WDC
Global Witness\Partnership Africa Canada

Selection Committee
Chair – Active KP Chairman
Members: Angola
Australia
Botswana
Canada
China, People's Republic of
EC
Israel
Namibia
Russian Federation
South Africa
Switzerland
USA

List of participants

States and regional economic integration organizations who have met the minimum requirements of the Kimberley Process Certification Scheme are:

1. Angola
2. Armenia
3. Australia
4. Belarus
5. Botswana
6. Brazil
7. Bulgaria
8. Canada
9. Central African Republic
10. China, People's Republic of
11. Congo, Democratic Republic of the
12. Côte d'Ivoire
13. Croatia
14. European Community
15. Ghana
16. Guinea
17. Guyana
18. India
19. Indonesia
20. Israel
21. Japan
22. Korea
23. Lao People's Democratic Republic
24. Lebanon
25. Lesotho
26. Malaysia
27. Mauritius
28. Namibia
29. Norway
30. Romania
31. Russian Federation
32. Sierra Leone
33. Singapore
34. South Africa
35. Sri Lanka
36. Switzerland
37. Thailand
38. Togo
39. Ukraine
40. United Arab Emirates
41. United Republic of Tanzania
42. United States of America
43. Venezuela
44. Viet Nam
45. Zimbabwe

NOTE: The rough diamond-trading entity of Chinese Taipei has also met the minimum requirements of the KPCS.